

**Town of Needham
Compensatory Time Policy
Personnel Administration #311**

1. PURPOSE AND SCOPE

The purpose of this policy is to outline the procedures, rules and regulations governing the accumulation and use of compensatory time, in accordance with the U.S. Fair Labor Standards Act.

2. APPLICABILITY

This policy applies to all non-exempt General Government employees who are eligible for overtime. Seasonal employees, such as Park and Recreation or DPW summer staff, are not eligible for overtime payment or compensatory leave. Employees whose service is governed by civil service law or collective bargaining agreement are subject only to those portions of this policy which are not specifically regulated by law or agreement.

3. DEFINITIONS

Refer to the Section 8.3 of the Personnel By-law for the definition of commonly used words.

Compensatory Leave -- Time off in lieu of wages for hours worked in excess of an employee's normally scheduled work hours, per day or per week, depending on work location and collective bargaining agreement.

Compensatory Leave Bank -- The official amount of approved, accrued compensatory leave time maintained by the Town Comptroller. Departmental records will not be recognized as the basis of the compensatory leave bank.

Emergency Response Employees -- Those employees whose work regularly involves the activities of: dispatching of emergency vehicles and personnel; rescue work; and ambulance services.

Exempt Employees -- Those employees who are excluded from overtime compensation in accordance with the U.S. Fair Labor Standards Act, as determined by the Personnel Department.

Non-exempt Employees -- Those employees who are entitled to receive overtime compensation in accordance with the U.S. Fair Labor Standards Act, as determined by the Personnel Department.

Overtime -- Approved hours worked in excess of scheduled hours per week, or in excess of the employee's normally scheduled work day, depending on work location and collective bargaining agreement.

Overtime Payment -- That payment of time and one half an employee's regular rate of pay for approved hours worked in excess of forty (40) hours per week, or the employee's normally scheduled work day, whichever is appropriate.

Public Safety Employees -- Those employees whose work regularly involves the activities of: law enforcement; firefighting; or related activities.

Regular Rate of Pay -- The employee's base pay and any additional pay types such as differentials and stipends paid on a regular, weekly basis.

Seasonal Response Employees -- Those employees whose work involves periods of significantly increased demand which is of a regular and recurring nature, such as snow removal.

Straight-time "Overtime" Payment -- That payment of an employee's regular rate of pay for hours worked in excess of his/her normal work week, up to and including forty (40) hours per week

4. POLICY

- 4.1 The Town shall pay overtime to eligible employees in accordance with the provisions of the U.S. Fair Labor Standards Act. It is the policy of the Town of Needham to allow compensatory time off without loss of pay in lieu of overtime payment for non-exempt employees at the discretion of the appointing authority/department manager, and at the request of the employee, in accordance with the U.S Fair Labor Standards Act and the procedures listed below.
- 4.2 The Town shall pay non-exempt employees who are scheduled to work on Sundays at the rate of time and one half their regular rate of pay for hours worked on Sundays, regardless of the number of hours worked during a given week.

5. PROCEDURES

- 5.1 All worked overtime must be approved in advance by the department manager/designee. Verbal approval is sufficient.
- 5.2 Overtime payment and/or compensatory leave will be provided after 40 hours of work or paid leave status.
- 5.3 Employees may request that they receive compensatory leave in lieu of overtime payment. No employee may be forced to receive compensatory leave in lieu of overtime wages.
- 5.4 The decision as to whether or not to approve such compensatory leave in lieu of wages is strictly at the discretion of the department manager.
- 5.5 The request for compensatory leave in lieu of overtime payment must be made prior to the overtime hours worked.
- 5.6 If compensatory leave in lieu of wages is requested and approved, such hours must be keyed in during hours entry or recorded on the employee's Attendance Report for the week in which the overtime was worked.
- 5.7 Employees who are scheduled to work 37.5 hours per week will earn compensatory leave at straight time for the first 2.5 hours worked, and on a time and one half basis after 40 hours of work or paid leave status.
- 5.8 Use of Banked Compensatory Leave

- 5.8.1 Employees who wish to utilize banked compensatory leave should submit a request to their department manager in accordance with the procedures in place in that department.
- 5.8.2 The payroll representative will key earned and used compensatory leave during hours entry. The employee's compensatory leave bank will be maintained on the Town's personnel/payroll system.
- 5.8.3 Compensatory leave may not be used unless the employee has a sufficient compensatory leave bank balance, and may not be used in the week it was earned.
- 5.8.4 Once a request to use compensatory time has been authorized by the department manager, this request must be honored unless to do so would be unduly disruptive to departmental operations.

5.9 Payment of Banked Compensatory Leave

- 5.9.1 Upon termination for any reason, employees who have an official, accumulated compensatory leave bank will be paid for all such leave at their current rate of compensation, unless such current compensation is lower than it was when the compensatory time was earned. If such is the case, the employee will be paid for the accrued leave at the average regular rate received by the employee over the last three years of his or her employment.
- 5.9.2 Department Managers may not authorize the accumulation of compensatory leave for employees paid through grants unless sufficient appropriation exists in the grant budget to cover the cost of the payment for banked compensatory leave at the time of termination.

5.10 Compensatory Leave Bank Maximums

5.10.1 **Non-Public Safety Employees**

- 5.10.1.1 Non-public safety employees may maintain a compensatory leave bank up to a maximum of 240 hours at any given time.
- 5.10.1.2 Any approved overtime worked in excess of the 240 hour maximum must be paid as overtime wages.

5.10.2 **Public Safety, Emergency and Seasonal Response Employees**

- 5.10.2.1 Public safety, emergency response and seasonal response employees may accumulate a compensatory leave bank up to a maximum of 480 hours at any given time.

5.10.2.2 Any approved overtime worked in excess of the 480 hour maximum must be paid as overtime wages.